

# Mineral Industry Surveys

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## ZINC IN JANUARY 2006

Domestic mine production (recoverable) of zinc in January 2006 of 58,100 metric tons (t) was about 7% less than that in December 2005 and about 8% more than that in January 2005, according to the U.S. Geological Survey. Estimated smelter production of 21,200 t of refined zinc was about 10% less than that in December 2005 and about 14% less than that in January 2005. Apparent consumption of 85,300 t of zinc was about 12% higher than that in December 2005 and 4% lower than that in January 2005.

The Platts Metals Week average composite price for North American Special High Grade zinc increased to 100.96 cents per pound in January 2006. The price was 15% (12.95 cents per pound) higher than in December 2005 and 64% (39.42 cents per pound) higher than in January 2005. The average London Metal Exchange Ltd. (LME) cash price increased to \$2,089.92 per metric ton of zinc, a 15% increase compared with the December 2005 price, and 68% higher than that in January 2005. During January, global LME zinc stocks dropped by 22,750 t to 370,800 t.

Grupo México, S.A. de C.V. (Colonia Roma Sur, Mexico) reportedly expected output at its San Luis Potosi zinc refinery to return to normal levels by the end of the third quarter of 2006.

The smelter, which was damaged by an electrical overload in January, normally produces about 100,000 metric tons per year of refined zinc (CRU International Ltd., 2006).

China switched from being a net exporter to net importer of zinc in 2005. Despite aggressively competing for concentrate, zinc smelting capacity utilization in China fell while metal consumption growth remained strong. China's refined zinc exports dropped sharply during the year, and it began importing metal (CRU International Ltd., 2006).

The Defense National Stockpile Center aggregated cash disposal (sale) of zinc in January, under the monthly Basic Ordering Agreement DLA-Zinc-004, was 1,887 t (approximately 2,080 short tons), with an approximate value of \$4.0 million (Defense National Stockpile Center, 2006).

## References Cited

- CRU International Ltd., 2006, CRU Monitor—Zinc: CRU International Ltd., February, 12 p.  
Defense National Stockpile Center, 2006, Stockpile announces zinc BOA sales for January 2006: Fort Belvoir, VA, Defense National Stockpile Center news release, February 6, 1 p.

TABLE 1  
SALIENT ZINC STATISTICS<sup>1</sup>

(Metric tons, unless otherwise specified)

	2005			2006
	January- December	November	December	January
<b>Production:</b>				
Mine, zinc content of concentrate	747,000	53,200	64,700	60,400
Mine, recoverable zinc	720,000	51,200	62,300	58,100
Smelter, refined zinc <sup>2</sup>	259,000 <sup>r</sup>	24,600 <sup>r</sup>	23,700 <sup>r</sup>	21,200 <sup>e</sup>
<b>Consumption:</b>				
Refined zinc, reported	405,000	33,800	34,100	34,800
Ores <sup>e</sup> (zinc content)	727	61	61	61
Zinc-base scrap <sup>e</sup> (zinc content)	191,000	15,900	15,900	15,900
Copper-base scrap <sup>e</sup> (zinc content)	176,000	14,700	14,700	14,700
Aluminum-and magnesium-base scrap <sup>e</sup> (zinc content)	1,430	120	120	120
Total <sup>e</sup>	774,000	64,500	64,800	65,500
Apparent consumption, metal <sup>3</sup>	939,000 <sup>4</sup>	67,300	76,200	85,300 <sup>4</sup>
<b>Stocks of refined (slab) zinc, end of period:</b>				
Producer <sup>5</sup>	XX	9,590 <sup>e</sup>	10,700 <sup>e</sup>	6,750 <sup>e</sup>
Consumer <sup>6</sup>	XX	54,500	54,000	54,800
Merchant	XX	10,200	10,200	10,200
Total	XX	74,400	74,900	71,800
Shipments of zinc metal from Government stockpile	20,400	2,830	299	1,890
<b>Imports for consumption:</b>				
Refined (slab) zinc	603,000	55,300	65,400	NA
Oxide (gross weight)	103,000	11,000	6,190	NA
Ore and concentrate (zinc content)	153,000	20,900	3,130	NA
<b>Exports:</b>				
Refined (slab) zinc	782	21	2	NA
Oxide (gross weight)	13,700	1,410	887	NA
Ore and concentrate (zinc content)	776,000	49,300	10,000	NA
Waste and scrap (gross weight)	50,500	4,570	5,410	NA
<b>Price:</b>				
London Metal Exchange, average, dollars per metric ton	\$1,380.00	\$1,610.00	\$1,820.00	\$2,090.00
Platts Metals Week North American Special High Grade, average, cents per pound	67.14	78.47	88.01	100.96

<sup>e</sup>Estimated. <sup>r</sup>Revised. NA Not available. XX Not applicable.

<sup>1</sup>Data are rounded to no more than three significant digits; except prices; may not add to totals shown.

<sup>2</sup>Includes zinc metal used to manufacture zinc oxide.

<sup>3</sup>Smelter production plus imports minus exports plus shipments from Government stockpile plus stock change.

<sup>4</sup>Data based on reported consumption, stocks, and estimated trade data.

<sup>5</sup>Data from U.S. Geological Survey and American Bureau of Metal Statistics.

<sup>6</sup>Includes an estimate for companies that report annually.

TABLE 2  
REFINED ZINC PRODUCED IN THE UNITED STATES<sup>1,2</sup>

(Metric tons)

Month	Beginning stocks <sup>3</sup>	Production	Shipments	Ending stocks <sup>3</sup>
2005:				
January	5,010	20,300	21,100	4,290
February	4,290	21,200	20,700	4,820
March	4,820	24,100	23,100	5,790
April	5,790	22,000	20,900	6,810
May	6,810	21,500	22,000	6,360
June	6,360	18,100	16,400	8,070
July	8,070	20,200	20,900	7,400
August	7,400	20,500	21,000	6,960
September	6,960	19,900	22,500	4,390
October	4,390	22,600	23,000	4,010
November	4,010	24,600	24,500	4,040
December	4,040	23,700	22,200	5,590
January-December	XX	259,000	258,000	XX
2006:				
January	5,590	21,200 <sup>e</sup>	20,100 <sup>e</sup>	6,750

<sup>e</sup>Estimated. XX Not applicable.

<sup>1</sup>Data are rounded to no more than three significant digits; may not add to totals shown.

<sup>2</sup>Includes zinc metal used to manufacture zinc oxide.

<sup>3</sup>Includes stocks held at locations other than smelters.

Sources: U.S. Geological Survey and American Bureau of Metal Statistics.

TABLE 3  
APPARENT CONSUMPTION OF REFINED ZINC ACCORDING TO INDUSTRY USE  
AND PRODUCT<sup>1</sup>

(Metric tons)

Industry and product	2005			2006
	January- December <sup>2</sup>	November	December	January <sup>2</sup>
Galvanizing:				
Sheet and strip	392,000	28,700	31,900	35,600
Other	121,000	7,800	9,500	11,300
Total	513,000	36,500	41,500	47,000
Brass and bronze	147,000	10,000	12,000	13,400
Zinc-base alloy	203,000	14,800	16,400	18,200
Other uses <sup>3</sup>	76,900	5,900	6,300	6,800
Grand total	939,000	67,300	76,200	85,300

<sup>1</sup>Data are rounded to no more than three significant digits; may not add to totals shown.

<sup>2</sup>Data based on reported consumption, stocks, and estimated trade data.

<sup>3</sup>Includes zinc used in making zinc dust, desilvering lead, powder, alloys, anodes, chemicals, castings, light metal alloys, rolled zinc, and miscellaneous uses not elsewhere specified.

TABLE 4  
AVERAGE ZINC PRICES<sup>1</sup>

Period	North American	LME <sup>2</sup> cash	
	¢/lb.	¢/lb.	\$/t
2005:			
January	61.54	56.51	1,245.81
February	64.49	60.14	1,325.81
March	66.49	62.47	1,377.33
April	63.03	58.96	1,299.81
May	60.46	56.39	1,243.23
June	61.73	57.85	1,275.33
July	57.96	54.16	1,194.08
August	62.94	58.88	1,298.05
September	67.89	63.37	1,397.08
October	72.66	67.49	1,487.91
November	78.47	73.06	1,610.61
December	88.01	82.62	1,821.44
January-December	67.14	62.66	1,381.37
2006:			
January	100.96	94.80	2,089.92

<sup>1</sup>Special High Grade.

<sup>2</sup>London Metal Exchange.

Source: Platts Metals Week.

TABLE 5  
U.S. EXPORTS OF ZINC<sup>1</sup>

Material	2004		2005 <sup>2</sup>			
			December		Year to date	
	Quantity (metric tons)	Value (thousands)	Quantity (metric tons)	Value (thousands)	Quantity (metric tons)	Value (thousands)
Refined (slab) zinc	3,300	\$5,330	2	\$5	784	\$1,500
Ore and concentrate (zinc content)	745,000	413,000	10,000	4,640	786,000	477,000
Waste and scrap (gross weight)	53,900	48,300	5,410	6,930	56,000	62,000
Powders, flakes, dust (zinc content)	7,640	13,500	946	2,000	9,310	18,500
Oxide (gross weight)	14,400	19,800	887	1,210	14,600	23,600
Chloride (gross weight)	1,870	2,200	150	212	1,860	2,310
Sulfate (gross weight)	3,060	1,860	277	186	2,820	1,870
Compounds, other (gross weight)	194	711	102	58	1,130	887

<sup>1</sup>Data are rounded to no more than three significant digits.

<sup>2</sup>Data for January 2006 were not available at time of publication.

Source: U.S. Census Bureau.

TABLE 6  
U.S. IMPORTS FOR CONSUMPTION OF ZINC<sup>1</sup>

Material	2004		2005 <sup>2</sup>			
			December		Year to date	
	Quantity (metric tons)	Value (thousands)	Quantity (metric tons)	Value (thousands)	Quantity (metric tons)	Value (thousands)
Refined (slab) zinc	812,000	\$888,000	65,400	\$88,600	668,000	\$875,000
Ore and concentrate (zinc content)	231,000	98,700	3,130	3,000	156,000	117,000
Waste and scrap (gross weight)	10,800	7,740	1,450	1,530	9,580	8,820
Powders, flakes, dust (zinc content)	24,800	40,200	1,980	4,410	23,400	46,000
Oxide (gross weight)	103,000	89,000	6,190	8,350	109,000	127,000
Chloride (gross weight)	705	863	88	179	723	1,250
Sulfate (gross weight)	29,100	14,000	2,610	1,450	31,100	16,600
Compounds, other (gross weight)	4,660	4,230	829	824	7,010	6,370

<sup>1</sup>Data are rounded to no more than three significant digits.

<sup>2</sup>Data for January 2006 were not available at time of publication.

Source: U.S. Census Bureau.

TABLE 7  
SHIPMENTS OF ZINC METAL FROM THE NATIONAL DEFENSE  
STOCKPILE<sup>1</sup>

(Metric tons)

Period	Beginning inventory	Shipments	Ending inventory
2005:			
January	66,400	20	66,300
February	66,300	738	65,600
March	65,600	--	65,600
April	65,600	220	65,400
May	65,400	301	65,100
June	65,100	2,960	62,100
July	62,100	2,600	59,500
August	59,500	3,680	55,800
September	55,800	3,710	52,100
October	52,100	3,010	49,100
November	49,100	2,830	46,300
December	46,300	299	46,000
January-December	XX	20,400	XX
2006:			
January	46,000	1,890	44,100

XX Not applicable. -- Zero.

<sup>1</sup>Data are rounded to no more than three significant digits; may not add to totals shown.

Source: Defense Logistics Agency.

TABLE 8  
U.S. IMPORTS OF ZINC, BY TYPE OF MATERIAL AND COUNTRY<sup>1,2</sup>

(Metric tons)

Material and country	General imports			Imports for consumption		
	2004	2005		2004	2005	
		December	Year to date		December	Year to date
Ore and concentrate (zinc content):						
Australia	27,900	--	8,590	27,900	--	8,590
Ireland	17,700	--	13,000	17,700	--	13,000
Mexico	6,530	--	27,300	6,530	--	27,300
Peru	178,000	3,070	104,000	178,000	3,070	104,000
Other	877	54	2,900	877	54	2,900
Total	231,000	3,130	156,000	231,000	3,130	156,000
Blocks, pigs, or slab:						
Australia	7,940	--	1	27,500	2,280	24,600
Brazil	26,400	4,890	43,700	26,400	4,890	43,800
Canada	501,000	38,200	439,000	501,000	38,200	439,000
China	35	--	15	16,500	777	2,140
Japan	--	--	--	690	1,210	1,210
Kazakhstan	2,310	--	--	2,310	--	--
Korea, Republic of	8,030	--	5,030	31,900	2,800	8,710
Mexico	123,000	14,400	147,000	123,000	14,400	147,000
Namibia	47,900	--	--	47,900	--	--
Peru	25,600	--	235	30,500	--	834
Other	204	811	1,320	3,970	811	1,770
Total	743,000	58,300	636,000	812,000	65,400	668,000
Dross, ashes, fume (zinc content)	16,100	1,250	15,800	16,100	1,250	15,800
Grand total	990,000	62,700	807,000	1,060,000	69,700	840,000
Oxide (gross weight):						
Canada	49,700	3,620	62,000	49,700	3,620	62,000
China	207	60	173	207	60	173
Italy	13,400	--	15,400	13,400	--	15,400
Japan	1,060	27	1,080	1,060	27	1,080
Mexico	33,200	2,350	24,100	33,200	2,350	24,100
Netherlands	4,700	127	4,450	4,700	127	4,450
Other	796	1	2,040	796	1	2,040
Total	103,000	6,190	109,000	103,000	6,190	109,000
Other (gross weight):						
Waste and scrap	10,800	1,450	9,580	10,800	1,450	9,580
Sheets	2,500	306	3,630	2,500	306	3,630
Powders, flakes, dust (zinc content)	24,800	1,980	23,400	24,800	1,980	23,400

-- Zero.

<sup>1</sup>Data are rounded to no more than three significant digits; may not add to totals shown.

<sup>2</sup>Data for January 2006 were not available at time of publication.

Source: U.S. Census Bureau.